



United States Fish & Wildlife Service

DO NOT REPLY TO THIS ADDRESS - SEE MESSAGE FOR CONTACT INFO!

12/16/2003

Memorandum

From AD-Budg, Planning & Hum Res
Subject TSP Catch-up Contributions

Expiration Date: December 31, 2004

What are catch-up contributions? Catch-up contributions are supplemental tax-deferred employee contributions, which are **in addition to the regular TSP employee contributions**.

What is the annual limit for TSP catch-up contributions? The annual limit for 2004 is \$3000, and it will increase to \$4,000 for 2005, and \$5,000 for 2006; thereafter, annual limits will be eliminated. The TSP catch-up annual limit for tax deferred contributions is in addition to the tax deferred annual limit for regular TSP contributions. There are no agency matching on catch-up contributions.

What is the annual limit for tax deferred contributions? The contribution percentage limit or the annual limit for tax deferred contributions is \$13,000 in 2004, \$14,000 in 2005, \$15,000 in 2006 and no annual limits thereafter.

What are the requirements for making catch-up contributions? To participate in the catch-up contribution program, you must be:

- in a pay status,
- contributing the maximum TSP contribution percentage or an amount which will reach the elective deferral limit by the end of the year,
- age 50 or older during the calendar in which the catch-up contributions are made (even if your birthday is on December 31 of the relevant year)

An employee who is in a 6-month suspension period after making a financial hardship withdrawal is not eligible to make catch-up contributions during this time.

How do I make my election? You must make your election via Employee Express at <http://www.employeeexpress.gov>. Contribution amounts must be in a whole dollar amount, rather than a percentage. Deductions for catch-up contributions are made on a pre-tax basis from your basic pay until the annual catch-up limit is met, the calendar year ends, or you choose to stop the contributions. **Because the annual limit changes each year, employees must make a new election each year.** Catch-up contributions will be invested in your account based on the most current contribution allocation.

Employees should make catch-up contributions for 2004 via Employee Express beginning November 30th (the first day of the pay period) to have the election effective December 14, 2003. Contributions made after December 14, 2003 will be effective the first day of the pay period after the date of election. Employees are advised to process their catch-up contributions in Employee Express the beginning of the first week of the pay period to ensure it will take effect the following pay period.

Important Catch-up Information for 2003: Since Employee Express updates employee records the pay period following data entry, the last day an employee can initiate or change a catch-up deduction for tax year 2003 is November 29, 2003. Any actions initiated on or after November 30, 2003, will be effective for tax year 2004.

Our mission is working with others to conserve , protect, and enhance, fish, wildlife, and plants and their habitats for the continuing benefit to the American people.